

Cablefax Daily™

Thursday — November 20, 2014

What the Industry Reads First

Volume 24 / No. 226

Nielsen OTT Measurement: Implications Abound for Cable & SVOD Players

While **Nielsen's** reported plan to measure the audiences of major SVOD services such as **Netflix** and **Amazon** may be a plus for the measurement firm, it also could further fragment the increasingly competitive ad market. The *WSJ* first reported that in Dec Nielsen will start providing insight for the first time on how much content is being streamed via SVOD by measuring the audio streams of SVOD content. Mobile will be excluded from the initiative. "Our clients will be able to look at their programs and understand: Is putting content on Netflix impacting the viewership on linear and traditional VOD?" Nielsen's svp of national & cross-platform product leader **Brian Fuhrer** told the paper. Initially, it appears that data will only be available for content owners (for their own specific content). "The bad news is, it's another confirmation point of our worse fears of a secular decline in ad-supported TV," **Bernstein** analysts said in a research note. "The good news is, maybe this will help wake up the media companies and shake them out of denial. They can reverse, or at least mitigate, the trend they started when they allowed the SVOD value proposition to get out of line." In addition, the reported move seemed to "confirm our fears that SVOD is directly cannibalizing ad-supported TV consumption," the analysts said. According to a Nielsen report given to a client and reviewed by the *WSJ*, people watch 20% less TV than they used to after signing up for streaming video services. The move might not benefit players like Netflix either because it could drive their content acquisition costs up as a result. The SVOD players have so far kept audience metrics to themselves because they don't sell ads. Bernstein analysts said they don't believe Nielsen will charge extra for the new data. "The big media companies agree to pay Nielsen a large sum of money, growing at mid-single-digits annually, for a long time. In return, Nielsen agrees to work with them to continually improve and enhance its services." Whether Nielsen's move helps or hurts SVOD, demand for streaming services is set to grow as pay TV costs rise, according to **Liberty Media** chmn **John Malone**. "So much of the oxygen has been taken out of the room by sports and the rising cost of sports, and it's putting pressure on the distributors who are attempting to control costs wherever they can," he said the company's investor meeting Wed. Cable missed an opportunity 5 years ago by not moving quickly enough to implement TV Everywhere services, he said.

More from Dr Malone: **Liberty Media's John Malone** believes **FCC** chmn **Tom Wheeler** will come up with an open Internet framework that will make both sides happy. "There is nothing broken about the Internet right now... It's far-fetched to come up with a monopoly theory for broadband. My guess is that Tom Wheeler will be able to thread the needle here and do something that satisfies some cosmetic concerns." Malone slammed **President Obama's** call for stricter net neutrality rules. It's "inappropriate for the government to make that resource allocation decision... I don't think he has thought it through." Meanwhile, Malone hasn't lost his appetite

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for **Time Warner Cable**. If the **Comcast-TWC** deal falls through, Malone said he would want **Charter** to consider a deal again. "That said, we're happy with the deal that was negotiated. In many ways, it's a better deal than going after 100% of Time Warner Cable."

Discovery Enters Ring: Under a multi-year deal between **Discovery Comm** and **Total Nonstop Action (TNA)** **Impact Wrestling**, **Destination America** will enter the ring with its 1st world premiere of "Impact Wrestling" in Jan. The partnership includes the US premieres of additional TNA Wrestling series and specials and provides Discovery with international broadcasting rights in select regions.

Pallone Gets House E&C Seat: **Frank Pallone** (D-NJ) will replace **Anna Eshoo** (D-CA) as the ranking Democrat on House Commerce in the next Congress. Committee chmn **Fred Upton** (R-MI) announced his GOP subcmte chairmanship Wed, with **Greg Walden** (OR) set to continue as head of the tech subcmte.

Media Institute Dinner: What's Republican **FCC** commish **Ajit Pai's** take on the controversy around the Washington Redskins' name? "I am not here tonight to voice an opinion on that... But I do find it disturbing that there's an eager constituency urging the federal government to ban the team's name from our nation's airwaves," he said at the **Media Institute's** First Amendment dinner in DC Tues. The event honored **MPAA** chmn/CEO **Chris Dodd**, the Freedom of Speech award recipient, and pres/CEO of **Gannett** **Gracia Martore**, the American Horizon award recipient. House Commerce tech subcmte chmn **Greg Walden** (R-OR) and former FCC Republican commish **Robert McDowell** were spotted at the event. Earlier this year, legal activist **John Banzhaf** and some Native Americans petitioned the FCC not to renew the broadcast license of a radio station because it said the name of the Washington football team, which they consider to be a racial slur against Native Americans. "Just think about what that could mean. A television station could be fined for accurately reporting that the score of last Sunday's game was the Tampa Bay Buccaneers 27, Washington Redskins 7. A radio station's license could be revoked for using the team's name during a news report on the controversy about the team's name," Pai said. If the FCC took these steps, "we would be squelching public debate about an issue of public concern. We would be standing in the way of media outlets reporting the news. And we would be prohibiting speech simply because we disagree with the viewpoint that is being expressed," he said.

Grande Continues Gigabit Expansion: In addition to being the destination for **Google** Fiber and **Time Warner Cable's** WiFi service, Austin will house **Grande Comm's** gigabit service dubbed "Power 1000." The op continues its 1G expansion with the launch in the West Campus area of Austin. Priced at \$64.99, the fiber-based service doesn't require a contract.

House Passes STELA: A day after House Commerce leaders introduced a compromised Satellite Television Extension Localism Act, the full House approved the bill. In addition to extending satellite licenses, the bill would eliminate the **FCC's** set-top integration ban. It's still uncertain when a Senate companion will be introduced. In separate statements, both **ACA** and **NCTA** urged timely Senate action.

Warner Scores WWE Rights: (**Warner Bros Home Entertainment WBHE**) and **WWE** reached a multi-year partnership for home video distribution of WWE programming starting Jan 1. The deal includes US distribution rights for physical and digital formats and allows WBHE to release new documentaries, match compilations and PPV events, including "WrestleMania" and "SummerSlam."



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BUSINESS & FINANCE

On the Circuit: Discovery Life Channel, which will debut on Jan 15 (formerly **Discovery Fit & Health**), sealed its 1st partnership. The net is teaming with *Shape Magazine* to launch the "Love the Shape of Your Life" campaign, "encouraging women everywhere to embrace life's unexpected hurdles that have led them to where they are today." The initiative will kick off with a call for submissions with the January issue of *Shape* to coincide with the debut of Discovery Life. The campaign will focus on stories of fans sharing their personal journeys, whether it's weight loss, taking a risk or overcoming an obstacle.

DirectTV Goes to Dogs: DirectTV subs will receive free access to **DOGTV**, the network created for dogs, from Nov 24-30 (channel 354). Programming includes exercise program "K9 Fit Club" and "Bite This Book" (actors read bedtime stories to their dogs). The net retails for \$4.99/month on DirectTV.

Stork Visit: Congrats to **Weather Channel** dir of corporate communications *Maureen Marshall* and husband *Liam* on their first baby. *Henry James Marshall* was born on Oct 25, tipping the scale at 6 lbs, 11 oz.

Editor's Note: Don't miss the chance to highlight that incredible promo trailer your team meticulously created to promote your network or show. Enter Cablefax's Trailer Awards! Find out how at cablefax.com

CableFAX Daily Stockwatch

Company	11/19 Close	1-Day Ch	Company	11/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	87.22	0.07	CONCURRENT:	6.68	(0.21)
DISH:	74.66	6.81	CONVERGYS:	20.65	(0.36)
ENTRAVISION:	5.47	(0.08)	CSG SYSTEMS:	25.16	(0.28)
GRAY TELEVISION:	9.81	(0.17)	ECHOSTAR:	50.23	0.14
MEDIA GENERAL:	14.53	(0.36)	GOOGLE:	536.99	1.96
NEXSTAR:	46.70	(0.7)	HARMONIC:	6.64	(0.1)
SINCLAIR:	27.31	(0.02)	INTEL:	34.35	(0.36)
MSOS			INTERACTIVE CORP:	64.18	(0.38)
CABLEVISION:	18.93	(0.05)	JDSU:	13.25	0.04
CHARTER:	158.63	3.51	LEVEL 3:	49.09	(0.37)
COMCAST:	54.38	(0.04)	MICROSOFT:	48.22	(0.52)
COMCAST SPCL:	54.14	(0.07)	NETFLIX:	363.10	(17.93)
GCI:	11.98	(0.24)	NIELSEN:	41.68	(0.13)
GRAHAM HOLDING:	868.00	3.00	RENTRAK:	78.91	(3.03)
LIBERTY BROADBAND:	50.72	1.82	SEACHANGE:	6.73	0.17
LIBERTY GLOBAL:	46.28	(0.44)	SONY:	20.81	(0.45)
SHAW COMM:	27.21	0.15	SPRINT NEXTEL:	4.71	(0.05)
TIME WARNER CABLE:	143.61	1.02	TIVO:	12.87	(0.15)
PROGRAMMING			UNIVERSAL ELEC:	60.30	(0.35)
21ST CENTURY FOX:	35.01	(0.29)	VONAGE:	3.44	(0.1)
AMC NETWORKS:	62.05	(0.43)	YAHOO:	50.58	(1.17)
CBS:	53.34	0.80	TELCOS		
CROWN:	3.37	0.01	AT&T:	35.37	(0.35)
DISCOVERY:	32.97	(0.39)	CENTURYLINK:	41.12	0.03
DISNEY:	89.82	(0.46)	TDS:	25.15	(0.49)
GRUPO TELEVISIA:	36.80	0.69	VERIZON:	50.49	(0.73)
HSN:	70.09	(0.2)	MARKET INDICES		
LIONSGATE:	34.53	(0.06)	DOW:	17685.73	(2.09)
MSG:	72.78	(0.43)	NASDAQ:	4675.71	(26.73)
SCRIPPS INT:	75.49	0.61	S&P 500:	2048.72	(3.08)
STARZ:	31.80	0.03			
TIME WARNER:	80.93	0.43			
VALUEVISION:	6.08	0.16			
VIACOM:	73.54	(0.45)			
WWE:	11.72	(0.2)			
TECHNOLOGY					
ADVANTAGE:	2.64	UNCH			
AMDOCS:	47.57	0.16			
AMPHENOL:	51.53	(0.02)			
AOL:	44.90	(0.8)			
APPLE:	114.67	(0.8)			
ARRIS GROUP:	28.70	0.01			
AVID TECH:	10.66	0.20			
BLNDER TONGUE:	2.12	(0.08)			
BROADCOM:	41.89	(0.66)			
CISCO:	26.59	(0.01)			
COMMSCOPE:	25.50	(0.06)			

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Think about that for a minute...

Too Much

Commentary by Steve Effros

Can there be too much of a good thing? Sure. We can all think of examples. Ask any parent about Halloween candy (even the good stuff), or laughing, or, well, I'm not going to go there.



Too much of anything, by definition, creates a problem, and I suspect that includes diversity and choice. But how can there be too much choice? Well, if the structure and options result in confusion or inaction, then folks have been overloaded with too much choice. I wrote about this several months ago (Apr 3 issue) in a column entitled "The Paradox of Choice."

That title was from a well known decade-old book and theory in the psychology community best summed up as: while some choice is good, too much choice does not lead to "freedom of action," it leads to paralysis. I think we're starting to witness that paralysis in several ways, and most of us, I suspect, have experienced it ourselves.

I recently signed up for Amazon's Kindle "Unlimited" plan for books. I now have unlimited access to a library of 600,000 books I can download any time. The cost: \$9.99 per month. 600,000! I also have a Spotify subscription. Another \$10. But it delivers just about any artist and any type of music I want to listen to, 24 hours a day. Talk about choice!

But other things are going on suggesting this might not be so great. Even with the Amazon recommendation engine showing me books that I might like, based on the ones I have already read, I can see that the selections result in a narrowing, not a broadening of my reading fare. I love testing out all the new electronic authors, not the best sellers, not the ones always on the racks at the airport bookstores, but at the same time, I wind up spending a lot of time with stuff that isn't

that good, or is a rehash of ideas I have already read. How do I break out of that syndrome when there are 600,000 non-curated books on the "choice" list?

As for the music, I love it, but the entire Spotify/Pandora business model spawned by the Internet and matured through iTunes, etc., is already under stress. The "big" acts (Taylor Swift, the current "biggest") are either threatening to or already have pulled their work out of the "streaming" libraries. Why? Because from their point of view the business model doesn't work. They're not making nearly as much money in the streaming services as they do the old fashioned way, selling albums. And it's questionable if the "new" folks, either the music or book writers, who are finally getting "published" in this new world of maximum choice, are getting enough purchases or notice to really make a living. So all this "choice" may end up degrading choice, and not really working for any of us. That would be a "paradox of choice" in a very different way, but a paradox, nevertheless.

We finally come to our business: delivering video. The delivery business will always be there, but how consumers choose what they want to watch when it all becomes commoditized through SVOD, Netflix, Vudu, Amazon, Sony, Hulu and the like is not something that's clear. In fact, if programming and programs go the way of the 600,000 book library, we may wind up seriously injuring the current creative engine and wind up just reverting back to a few "trusted" networks and call it a day. Now that, too, would be a paradox.

Steve

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